

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 11

February 2, 2011

SUMMARY OF BILL: Requires the Department of Commerce and Insurance to provide an insurance producer a copy of the order or complaint initiating an investigation within 15 days of issuance of the order or receipt of the complaint. Requires the Department to give notice of the charges and investigation to the producer prior to seeking a statement or records from the producer when a proceeding or investigation has been initiated internally by the Department. Authorizes the producer to obtain copies of the complaint; transcripts of testimony; and the names and addresses of all persons providing testimony. Authorizes the producer to petition the chancery court to quash or modify a subpoena issued by the Commissioner of Commerce and Insurance. Requires the Commissioner to provide written notice of closure of the investigation to the producer within 15 days of closure. Requires completion of investigations within two years.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Providers will reimburse the Department of Commerce and Insurance for copying costs. Therefore, no significant increase to state expenditures for the Department to provide producers copies of records.
- Four investigators in the Insurance and Special Investigations section are responsible for investigation of complaints against producers. Investigations are currently completed within an average of nine to twelve months. No additional resources will be required to meet the requirement to complete investigations within two years.
- No significant change in the number of cases referred for contested case hearings.
- Motions to quash or modify subpoenas will be relatively infrequent. No significant cost to the Department for responding to these motions.
- The insurer or producer's right, prior to the commencement of a contested case hearing, to petition the chancery court to modify, quash, or take other appropriate action relative to a subpoena issued by the Commissioner, does not create a new procedural or substantive right. The existing rules of procedure and interpretive case law relating to quashing or modifying a subpoena, including standing, materiality, or discovery, are not changed.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/sbh